

DCI/DDCI
Routing Slip

(212) 755-8900

TO:


		ACTION	INFO.			ACTION	INFO.
1	DCI			11	LC		
2	DDCI			12	IG		
3	S/MC			13	Compt		
4	DDS&T			14	Asst/DCI		
5	DDI <i>for RR</i>	✓		15	AO/DCI		
6	DDM&S			16	Ex/Sec		
7	DDO			17			
8	D/DCI/IC		✓	18			
9	D/DCI/NIO			19			
10	GC			20			

SUSPENSE _____

Date _____

Remarks:

Reply draft pls - Re page 3,
we certainly could clear such
a group for specific access
& discussion of a discrete
matter such as this paper,
under an agreement ^{not}
to publicize or pass it
further - Could you try
this idea out? -



 DCI/DDCI

10/23/75

SECRET

21 Oct 75

To: DCI

Subject: Letter from Leo Cherne re OPR Paper:
"Some Political Implications of Persistent Inflation in Western Europe"

1. Cherne's letter compliments highly author of paper; he wishes to debate its classification (Conf/NFD) because he thinks it should have a wide distribution to audience that normally would not see it: (e.g. Aspen Institute group studying interdependence). The paper's author [redacted] believes it could be sanitized by excising references to specific countries. (Perhaps. If paper could be published without revealing its official source there would be no problem, but then its impact would be less.) In any event, the PFIAB staff would like a prompt response to Cherne's questions, if possible.

25X1

2. The paper was stimulated by a request you made some months ago: it did not reach this office until the Cherne letter was delivered on 17 Oct. It is a very good piece of work and you will find it a pleasure to read.

3. I have underlined paper and made some marginal comments. In addition:

a. Paper is "worst-case" view, but is balanced by taking into account alternative views;

b. Unstated but evident basic conception of author (admitted by her privately) is that democratic liberties cannot be maintained without retaining a large share of major economic decision-making in private hands. This conception may or may not be true; some authorities claim the "free market" no longer exists either domestically or internationally and policies designed to deal with this situation are not adequate;

c. The positive aspects of paper's view are on pages 21-24; these paragraphs suggest that out of great crisis, changes in perceptions can follow, which changes are necessary for the development of appropriate policies. [redacted]

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